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THOMAS F. MCFARLAND

March 23, 2007

By e-filing

Vernon A. Williams, Secretary  
Surface Transportation Board  
Case Control Unit, Suite 713  
1925 K Street, N.W.  
Washington, DC 20423-0001

Re: Finance Docket No. 35000, *TRI Railroad, LLC -- Acquisition and Operation  
Exemption -- TRI Owners Association*

Dear Mr. Williams:

Please refer to my letter to the Board in the above proceeding dated February 28, 2007, voluntarily extending the March 18, 2007 consummation date for the acquisition and operation pending discussions between TRI Railroad, LLC (TRI) and Union Pacific Railroad Company (UP) over concerns about the transactions expressed by UP. A copy of that letter is attached to this communication in order to provide ready reference.

UP's concerns related to the adequacy of trackage at Patrick, NV for interchange between TRI and UP at that location. TRI Owners Association constructed such an interchange track of over 2,000 feet in length with the past two years. That interchange track is more than adequate for current traffic moving on the rail line to be acquired by TRI, and for traffic that would move over that line in the foreseeable future. TRI is committed to construct additional interchange track if required by future traffic volume.

Discussions between TRI and UP on that subject matter have now been concluded. Consequently, TRI hereby reinstates the consummation date for the acquisition and operation as April 10, 2007. That allows the same amount of time before the consummation date as remained when TRI voluntarily extended the consummation date on February 28, 2007. UP thus will have adequate time to take action if it so desires.

Very truly yours,

*Tom McFarland*

Thomas F. McFarland  
Attorney for TRI Railroad, LLC

TMCF:kl:wp8.01/2011/vrstb4

cc: Mack H. Shumate, Jr., Esq. - by e-mail to mackshumate@up.com & fax to 312-777-2065  
Mr. Gary Hunter, by e-mail to gvh@railroadindustries.com & fax to 775-329-4844

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THOMAS F. MCFARLAND

February 28, 2007

By e-filing

Vernon A. Williams, Secretary  
Surface Transportation Board  
Case Control Unit, Suite 713  
1925 K Street, N.W.  
Washington, DC 20423-0001

Re: Finance Docket No. 35000, *TRI Railroad, LLC -- Acquisition and Operation  
Exemption -- TRI Owners Association*

Dear Mr. Williams:

Please refer to the Notice served by the Board in the above proceeding on February 28, 2007.

The Board's Notice states that the transaction covered by the exemption can be consummated on or after March 18, 2007.

TRI Railroad, LLC (TRI) hereby voluntarily extends the consummation date of the transaction pending discussions between TRI and Union Pacific Railroad Company (UP) in relation to concerns about the transaction that have been expressed by UP. TRI will keep the Board advised of the status of discussions between TRI and UP. If those discussions do not satisfy UP's concerns and TRI nevertheless intends to go forward with the transaction, TRI will propose a new consummation date that would allow adequate time for UP to express its concerns to the Board.

Very truly yours,



Thomas F. McFarland  
*Attorney for TRI Railroad, LLC*

*TMCF:kl:wp8.0\1201\ltrstb4*

cc: (by e-mail w/copy of Notice)  
Mack H. Shumate, Jr., Esq. - Attorney for UP  
Mr. Gary Hunter  
Mr. John MacDonald

37781

SERVICE DATE – FEBRUARY 28, 2007

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35000]

TRI Railroad, LLC—Acquisition and Operation Exemption—TRI Owners Association

Tri Railroad, LLC (Railroad), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from Tri Owners Association (Owners), and operate two track segments as follows: (1) Track A, which extends from point of connection with Union Pacific Railroad Company (UP) at Engineering Station 1+59 near UP milepost 259.20 to Engineering Station 123+74 at the end of track at or near Tahoe/Reno Industrial Center, a distance of approximately 12,215 track feet or 2.31 miles; and (2) Track B, which parallels Track A for a distance of approximately 2,202 track feet or .42 miles, for a total of 14,417 track feet or 2.73 miles, all located in Patrick, Storey County, NV.<sup>1</sup>

Railroad states that, in addition to connecting with UP, the rail line will also connect with BNSF Railway Company (BNSF) at Patrick. According to Railroad, UP owns the connecting trackage at Patrick, but BNSF has trackage rights over UP's trackage and will be able to interchange traffic with Railroad. Railroad further states that,

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<sup>1</sup> According to Railroad, the line does not have mileposts.

although the line has been owned and operated by Owners as private track, an agreement has been reached where Owners has agreed to convey the line to its affiliated corporation, Railroad, for operation as a common carrier rail line.

Railroad certifies that its projected annual revenues as a result of the transaction will not exceed those that would qualify it as a Class III rail carrier and will not exceed \$5 million.

The earliest this transaction may be consummated is the March 18, 2007 effective date of the exemption (30 days after the exemption was filed).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction. Petitions for stay must be filed no later than March 9, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35000, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle St., Suite 1890, Chicago, IL 60604-1112.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: February 21, 2007.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary